

# The Canadian Monetary Times

## AND INSURANCE CHRONICLE.

DEVOTED TO FINANCE, COMMERCE, INSURANCE, BANKS, RAILWAYS, NAVIGATION, MINES, INVESTMENT, PUBLIC COMPANIES, AND JOINT STOCK ENTERPRISE.

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TORONTO, THURSDAY, JAN. 30, 1868.

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### Meetings.

**TORONTO BOARD OF TRADE.**—The annual meeting of the Toronto Board of Trade was held on the 25th. The following were elected officers for the ensuing year: President, Mr. J. G. Worts (re-elected); 1st Vice-President, Mr. A. R. McMaster; Treasurer, Mr. John Turner (re-elected).

The election of members of the council was then proceeded with by ballot, when the following were declared elected, viz: Messrs. A. R. McMaster, Chas. Robertson, William Ince, Thos. C. Chisholm, George Laidlaw, A. M. Smith, J. C. Fitch, R. Spratt, W. J. McDonnell, John Boyd, H. S. Howland, and William Gooderham, Jr.

The following were named the Board of Arbitrators, viz.: Messrs. F. W. Coate, W. D. Matthews, J. D. Merrick, Jas. Adamson, H. S. Howland, J. Young, C. W. Bunting, J. C. Campbell, W. J. Shaw, Chas. Parsons, Rice Lewis, and J. C. Fitch.

The following is the report of the council:—The Council in submitting their annual report regret being obliged to admit that the crop of grain harvested in 1867 has failed to produce in quantity what was expected from its appearance in the fields previous to being reaped. The yield in cereals in the front townships has been far below an average, but this deficiency has been compensated in a great measure by the increased production of the more recently settled parts of the country. The quality of the grain harvested has been unsurpassed for many years; and the high prices paid for it have on the whole yielded satisfactory results to the agriculturists. The townships bordering on Lakes Ontario and Erie can no longer be looked to for that abundance of wheat which characterized them in past years; but the high prices paid for coarse grains, now more largely cultivated, have supplied the loss of their long cherished wheat crop, which has suffered for several years from insects hostile to the development of the grain. We observe with satisfaction that ridge-proof wheat is fast superseding the other kinds, and as this grain has proved impervious to insects, it must in a short time be extensively cultivated in the older settlements of the Province.

The free circulation of money, consequent on the high prices paid for agricultural products, could not fail to influence business favorably, when in the midst of the busy season the largest and most important banking institution in Western Canada closed its doors to the public with but slight premonition. The suspension caused a general want of confidence, and caused a run for gold on the other banks, compelling several of them, in self-defence, to curtail for a time the usual accommodation to their customers, and force sales, irrespective of prices of produce shipped to foreign markets; a course which greatly unsettled the business of the country, and entailed serious loss and inconvenience on many parties depending on bank accommodation for their business operations.

Within little more than a year two of our largest banks have failed to meet their engagements, both occurrences taking place when money was abundant and without unusual pressure on our banking system, which had stood the test of many years. Various causes have been assigned for these unfortunate failures, but from statements made public since their occurrence, it is evident that in both cases mismanagement characterized their business operations for a number of years past; this is shown by their unusually large advances to corporations and irresponsible parties.

The failure of the banks referred to, has withdrawn a large amount of the circulating medium from Western Canada, as may be seen by comparing the bank returns in the *Gazette*, of October, 1861, with those of October, 1867, the month when the largest circulation is required for moving the crops. In October, 1861, the amount of notes in circulation was \$15,259,202, and in October, 1867, the circulation was reduced to \$10,119,070; to this sum, however, may be added about \$3,000,000 additional for Provincial notes in the hands of the public, showing a decrease or falling off in the circulation of bank notes to the extent of \$2,000,000. This startling result appears, after an interval of six years, during which the country has largely increased its commerce and manufactures, and when instead of a contraction in the circulation, an expansion would have been expected equal to and corresponding with the natural growth and resources of the Province and the largely increased volume of its trade.

To some extent the deficiency in the circulation of notes may be accounted for by the increased facilities afforded by the numerous bank agencies to those desirous of placing their money at interest, and by the abundance of American silver which for years past has formed a large portion of our currency, to the great annoyance and serious loss of all engaged in business, and more especially those in the retail trade. Under such depressing circumstances it cannot fail to strike even a casual observer that our business men have borne this severe contraction without injury to their credit, a fact which proves the trade of Toronto to be in a healthy condition. While a decrease has taken place in the circulation and capital of the banks, it is satisfactory to record a marked increase in their deposits, which in October, 1861, amounted to but \$19,485,022, while in October, 1867, they had increased to the large sum of \$31,116,658, being a gain of \$11,631,636, or an increase of 62 per cent in 6 years; besides there are upwards of \$3,000,000 deposited in savings banks and building societies which are not otherwise accounted for.

That there is an ample field for the extension of banking capital may be inferred from the rapidity with which the stock of the Bank of Commerce was taken up. This institution, but recently commenced, has been placed under able and experienced management, and promises to be a great auxiliary to the business interests of Ontario, supplying in some measure the deficiency in the circulation lately withdrawn from active use.

Grave objections have been raised to the employment by Government of a single fiscal agent for the issue and circulation of the Provincial notes, there by placing a controlling power in the hands of an institution which has no circulation to protect, and whose interests are antagonistic to those of the western banks.

Whether the evil complained of could have been avoided by the Government at the time the arrangement was made with the Bank of Montreal, is not for the Council to say; but they venture to hope that the changes contemplated by the Legislature of the Dominion will remedy the evil effects of the measure alluded to.

Any measure suppressing the issues of the chartered banks must inevitably re-act on trade, by curtailing their means of accommodation to the public, while their bills may be made perfectly secure by making them a first charge in event of a suspension of payment. The great desideratum of the banks appears to be a system of elasticity by which circulation can be expanded with safety at certain times and curtailed at others, without injuriously affecting the interests of their customers. In framing a measure to meet the growing wants of the business community, our legislature while guarding and protecting the interests of all parties, will doubtless profit by the experience of the past.

Aside from routine business, much of the time and thought of the Council have been given to the consideration of the question of light narrow gauge railways, the introduction of which into various countries has afforded the utmost satisfaction.

This no doubt has arisen chiefly from the economy of their construction and proved ability to perform whatever railway service is required in the localities where they are in successful operation. In a newly settled country like Canada, economy of construction is of the first importance, especially when capital has to be raised in the Province. The westerly manner in which much of the capital used in constructing our chief railways has been spent heretofore, makes it unlikely that any outside assistance will be given to these new enterprises.

The introduction of a narrow gauge system of railways into Canada, would inaugurate a new era in the extension of that most popular, rapid and easy means of transit. Railways heretofore have been built on the broad gauge without regard to cost (having been organized and constructed by parties slightly interested as shareholders, though deeply engaged in contracts), whereas the narrow gauge is projected on commercial and economical principles, and on a scale commensurate with the requirements and resources of the country, by parties whose interests are identified with its progress and prosperity, and the development of the dormant wealth of its forests, fields and mines. In view of the benefits sure to accrue to the country at large, as well as the city of Toronto, from the construction of the Toronto, Grey and Bruce, and Toronto and Nipissing Railways, the council deemed it their duty to aid and assist the provisional companies who are promoting those enterprises, it being expected that the construction of those railways will give a decided impulse to the industry of the city, largely increasing its population, and bringing to a common centre the trade of an extensive and imperfectly developed field, hitherto placed at great disadvantage for want of the means of transit.

In the Western States and territories, the railway is the great agent and pioneer of civilization and immigration, which in full stride follow the track layers. That country has wisely adopted a plan of encouraging the construction and extension of these roads by magnificent grants of the public domain, a course which the council, in the belief that its adoption will promote immigration and settlement to an extent hitherto unknown in Canada, are of opinion might be wisely followed by the Government of Ontario.

The Board of Trade of Montreal, desirous of promoting unity of action on commercial subjects, between members of the lately confederated Provinces had arranged for a meeting of the Intercolonial Board of Trade at Ottawa; but as the Maritime Provinces declined to send delegates, the meeting was postponed.

This standing aloof of our Eastern friends is to be regretted, as a meeting such as contemplated might have been the means of accomplishing much good by recommending to the General Government such measures as would tend to promote the interests of commerce in the Dominion. A people having the same origin, language and laws should also possess the same standards of money, weights and measures, consequently the same usages and customs of trade should prevail throughout the confederated Provinces, uniting us commercially as well as politically.

The Inspector of Flour, Mr. Edward Lawson, having resigned his office, Mr. James Rough, the former Inspector, was re-appointed to that responsible position.

Much inconvenience has been experienced for want of an Inspector of pork, beef and butter, the trade in which articles of late years has much increased. Efforts, hitherto without success, have been made to secure a competent person who would undertake to perform these duties, and it is hoped that before another season a proper selection will have been made to the office, the emoluments from which are expected to amount to considerable from the amount of business to be done.

The Council note with satisfaction that the number of members of the Board has largely increased within the past year, giving promise of more extended usefulness for the future.

All which is respectfully submitted.

CHAS. ROBERTSON, Secretary.  
JAS. G. WORTS, President.  
Toronto, Jan. 28th, 1868.